

NCA
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NEWS ANALYSIS 1-0903
CHARLES MEDD

JUNE 8, 1976

FULL EMPLOYMENT -- POLITICAL PLUS OR MINUS

ANNCR:

THE UNEMPLOYMENT RATE IN THE UNITED STATES HAS DROPPED TO THE LOWEST LEVEL SINCE THE END OF 1974, ANOTHER SIGN THAT THE RECENT ECONOMIC RECESSION HAS RUN ITS COURSE. BUT MANY DEMOCRATS, CRITICAL OF THE SLOW PACE OF RECOVERY, STILL WANT STRONGER GOVERNMENT ACTION TO PROVIDE MORE JOBS. CHARLES MEDD LOOKS AT WHAT IS LIKELY TO BE AN ELECTION-YEAR ISSUE BETWEEN THE REPUBLICANS AND DEMOCRATS, AND POSSIBLY AMONG THE DEMOCRATS THEMSELVES.

VOICE:

UNEMPLOYMENT MAY BE GOING DOWN, BUT MOST DEMOCRATS SAY RECOVERY IS MUCH TOO SLOW AND THAT THE PRICE IS TOO HIGH FOR THOSE AMERICANS STILL LOOKING FOR JOBS. FOR THE PAST YEAR, CONGRESS HAS BEEN WORKING ON LEGISLATION TO PROVIDE JOBS FOR EVERYONE WHO WANTS THEM, AND A NUMBER OF DEMOCRATS SEE THE SO-CALLED FULL EMPLOYMENT BILL AS THEIR BEST CAMPAIGN ISSUE FOR 1976.

THE BILL HAS NOW GONE THROUGH SEVERAL COMMITTEES, AND IN ITS LATEST EVOLUTION CALLS FOR COORDINATED PLANNING AT THE HIGHEST LEVELS OF NATIONAL GOVERNMENT TO ENSURE WORK OPPORTUNITIES FOR ALL AMERICANS ON PRIVATE PAYROLLS OR, IF NEED BE, ON PUBLIC PAYROLLS. THE GOAL OF THE LEGISLATION IS TO BRING THE NATIONAL UNEMPLOYMENT RATE FOR ADULT WORKERS DOWN TO THREE PER CENT BY 1980.

LIKE MOST REPUBLICANS, PRESIDENT FORD FINDS THE PLAN COMPLETELY IMPRACTICAL, DISMISSING IT AS A SHODDY APPEAL FOR VOTES. MISTER FORD SAYS HE WOULD VETO ANY SUCH MEASURE.

BUT, ONE BY ONE, EACH OF THE DEMOCRATIC PRESIDENTIAL CANDIDATES HAS PLEDGED TO SUPPORT THE FULL EMPLOYMENT BILL, ALTHOUGH SOME DID SO WITH MIXED FEELINGS.

THESE RESERVATIONS WERE UNDERSCORED BY THE RECENT TESTIMONY OF ECONOMIST CHARLES SHULTZE BEFORE A SENATE COMMITTEE. MISTER SHULTZE -- A CHIEF ADVISER TO THE DEMOCRATIC ADMINISTRATION OF LYNDON JOHNSON -- TOLD THE SENATORS THAT LOWERING UNEMPLOYMENT THROUGH GOVERNMENT-CREATED JOBS WOULD LEAD TO INTOLERABLE LEVELS OF INFLATION. AND HE ALSO WARNED THAT A SUDDEN SURGE OF INFLATION WILL NOT BE ACCEPTABLE TO AMERICAN VOTERS.

WHETHER THESE AND OTHER WARNINGS WILL AFFECT CONGRESSIONAL ACTION IS HARD TO TELL, ALTHOUGH IT STILL APPEARS THAT MANY DEMOCRATS FEEL A VOTE FOR FULL EMPLOYMENT WILL HELP THEIR RE-ELECTION CHANCES. BUT THE PARTY WILL FACE A MORE IMMEDIATE PROBLEM AT ITS NATIONAL CONVENTION NEXT MONTH WHEN THE DEMOCRATS DECIDE THIS YEAR'S PLATFORM, OR PARTY PROGRAM. THE CANDIDATE -- WHOEVER HE IS -- WILL HAVE TO STAND ON THAT PLATFORM, AND AT THIS STAGE IT'S FAR FROM CLEAR WHETHER THE PLAN FOR FULL EMPLOYMENT, SO ATTRACTIVE WHEN IT WAS FIRST DRAFTED, WILL PROVIDE MUCH OF A FOOTING.

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